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STATEMENT OF THE SECRETARY OF THE INTERIOR
DONALD PAUL HODEL

before the
Subcommittee on Interior and Related Agencies
Committee on Appropriations
United States House of Representatives

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Mr. Chairman and Members of the Subcommittee: I am pleased to have the opportunity to appear before the Subcommittee today to discuss the relationship between American Indians and Alaskan Native people and the Federal Government. Establishing an appropriate relationship between Indian people and the Federal Government has been a serious dilemma for more than two centuries.

I would like to remind you, Mr. Chairman, that when I first appeared before you, we addressed three major problems in the Department of the Interior. One was the Minerals Management Service's royalty management program, on which we have made significant progress; the second was computers, on which there has also been significant progress; and ~~the third was Indians, on which we had no consensus on how to solve the problems.~~

Over the years there have been conflicts in cultures, conflicts in goals, conflicts in approaches to solving problems. As many reports point out problems persist in education, health, law enforcement, and the delivery of services. The Federal Government over many Congresses and Administrations has tried innumerable ways to solve the problems. It has passed so many laws that the portion of United States Code related to Indian Affairs is about the same size as that related to labor law or laws governing the Congress. The Government has poured billions of dollars into Indian programs -- nearly three billion dollars appropriated annually in recent years, about one-third of which is to the Department of the Interior.

Time and again the government has set up commissions to examine Indian problems and recommend solutions. Although proposed solutions are many and varied, two major themes recur: the need for economic development on reservations and the desire of American Indians for self-government to decide their own goals and directions.

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In 1983 President Reagan's Policy on American Indians reinforced the government-to-government relationship of Indian Tribes with the United States for purposes of self determination for Indian people and promoted both tribal self government and the development of reservation economies.

In keeping with this policy, the President's choice for the Assistant Secretary for Indian Affairs in the Department of the Interior, was a person who would continue to stress the themes of economic development and self-determination. Ross Swimmer is the former Chief of the Cherokee Nation of Oklahoma, the second largest tribe in population in the country. He is the first Chairman of any tribe to lead Indian Affairs for the Department of the Interior. He continues to have the President's and my support.

Since Mr. Swimmer has been in office, the Administration has proposed some of the most exciting and promising initiatives on Indian Affairs in years. But we have not been able to generate broad-based support for these initiatives. Examples of the initiatives are:

- A self assistance program that would enable a welfare recipient to achieve sustained and meaningful work and skill development.
- Major changes in the area of self determination including a new approach to equitably funding tribal indirect contracting costs and funding a new program targeted at enhancing small tribes' capabilities.
- A new plan to improve for full financial trust services for the \$1.7 billion held in trust for tribes and individual Indians by contracting with a qualified financial institution.
- The transfer of the operation of the remaining Federal Indian schools to tribal or public schools through the use of contracting or cooperative agreements. Currently, the Federally and tribally operated schools account for only 10 percent of all Indian students nationwide and such a transfer would move the policy and decision making to the local level.

Because of the diversity and complexity of tribes, almost every proposal to change the status quo in Indian country is met with fear and resistance. To attain a consensus among 500 such groups has been impossible. To obtain congressional concurrence in major changes has been extraordinarily difficult.

Mr. Chairman, we view this as a new opportunity to focus attention on the need to get unified with the Congress and tribal leaders -- a chance to focus attention on the fundamental problem. The tribes, the Federal employees, the lobbyists and the political leaders in Congress and the Administration must find new ways to work together toward our common goal: to create a framework within which American Indians can improve the quality of their lives. The old ways of doing things are not leading to the accomplishment of this goal. We believe with bold, creative approaches, perhaps we could develop proposals which would work. It is in that spirit that I appear before you today -- ready to work with you, American Indians, and Alaskan Natives to meet that goal.

Assistant Secretary Swimmer and the Department of Interior Solicitor Tarr are here with me to discuss improved relationships between Indian tribes and the Federal Government, new approaches to funding for the tribes, and to respond to the areas of concern that the Subcommittee may have. Mr. Swimmer has prepared a statement which he would like to summarize for you.